



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

February 3, 2010

Cristina Lira, Training Coordinator
McCain Foods USA, Inc.
1650 N. 8th St.
Colton, CA 92324

Dear Ms. Lira:

RE: FINAL MONITORING REPORT for McCain Foods USA, Inc. (McCain) – ET08-0131

Date of the Visit:	01/29/10
Beginning/Ending Time:	12:30 p.m. - 2:00 p.m.
Date of Last Visit:	04/29/09
Visit Location:	Via Teleconference
Persons in attendance:	Cristina Lira, Training Coordinator, McCain, and Carole Robinson, ETP Contract Analyst.
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	03/01/08 – 02/28/10	Agreement Amount:	\$270,810
Training Start Date:	05/28/08	No. to Retain:	177
Date Training must be Completed:	11/29/09	Range of Hours:	24 - 200
Type of Trainee:	Retrainee	Weighted Ave. Hours:	85

FINAL REPORT SUMMARY:

• HISTORY OF AGREEMENT CHANGES

The Agreement was executed on 09/14/07 and training began on 05/01/07. You reported that all training was completed on 09/30/09, which allowed for the 90-day retention period to be completed within the term ending date of the Agreement (02/28/10).

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5353 Mission Center Road, Suite 110
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ETP (04/15/05)

There were two Revision Requests made to the Agreement. The first, processed as Amendment 1, revised the Agreement term dates from 07/03/07 – 07/02/09 to 03/01/08 – 02/28/10. Amendment 1 was approved on 02/19/08. The second, approved on 09/05/08, was processed as a Modification, added the topics of Communication Skills and Inventory Control under Continuous Improvement in the approved Curriculum.

- **INTERVIEW WITH COMPANY REPRESENTATIVE**

You reported no major difficulties with the administration of the Agreement although you did not assume responsibility for administration duties until 04/29/09. You stated that, overall, the ETP funded training allowed the company to become more productive through implementation of new Lean Manufacturing Skills in several Kaizen Events held by McCain. You stated that the company was overly ambitious with its proposed training plan during development of the Agreement and was not able to deliver many of the approved Curriculum training topics. In addition, the ongoing business needs of this manufacturing plant took precedence to scheduling delivery of many of the training topics initially identified for the Agreement.

However, you stated that the McCain was able to reduce production costs and associated product waste through the implementation of lean manufacturing techniques. As a result, the company is better organized throughout all business units and has experienced increased efficiency in its production lines

According to ETP records at the time of this final meeting, McCain retained 20 employees (11% of planned retention). Based on ETP records, if all other terms and conditions of the agreement are met, McCain will earn a total reimbursement of \$18,067.50 7 percent of the encumbered amount). As of the date of this report, McCain received and returned an unearned Progress Payment in the amount of \$5,801.25 that were requested in error for Progress Payment 2 on Invoice #1. Ms. Robinson informed you that ETP Fiscal will notify you when this returned check has been processed by ETP and McCain can invoice for Progress Payments 1, 2 and Final Payment for the 20 eligible trainees who have completed at least 24 hours training and a 90-day retention.

You stated that the company will submit all outstanding invoices to closeout the Agreement by 03/27/10.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Enrolled:	185	Completed Training:	20
Dropped Following Enrollment:	165	Completed Retention:	20
No. Completed Minimum Reimbursable Hours :	20	In Retention Period:	0

SUBAGREEMENTS:

You reported that the subagreement with Spectra Consulting relating to administrative services performed (prior to McCain's assumption of these duties in 2009) is on file. No other vendors were identified for the delivery of training relating to this Agreement. The required information for administrative services for Spectra has previously been entered on the Subcontractor List, ETP 100D via ETP's on-line system.

ATTENDANCE ROSTERS:

Attendance Rosters reviewed for two retrainees enrolled in Job 1.	Invoice Numbers Validated: None	Rosters reviewed contained all the required information per Title 22, California Code of Regulations, Section 4442.	YES
Information contained in rosters reviewed was consistent with the hours reported on-line.			YES

AUDIT:

McCain will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk audit (or "review"). These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit confirmation letters. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding the information contained in this letter, please contact Carole Robinson at (619) 686-4971, within ten (10) working days from the receipt date of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Swier", with a long horizontal stroke extending to the right.

Ryan Swier, Contract Analyst
For Diana Torres, Manager
San Diego Field Office

A handwritten signature in black ink, appearing to read "Carole Robinson", written in a cursive style.

Carole Robinson, Contract Analyst
San Diego Field Office

cc: Kulbir Mayall, Manager, ETP Fiscal Unit
Gov Transparency File
Master File
SD Project File

Date report mailed to Contractor 02/04/10